

Non-UCITS retail scheme Key Investor Information



This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

M&G Property Portfolio

Sterling Class I – Accumulation shares ISIN no. GB00B8FYD926

Managed by M&G Securities Limited, which is part of the Prudential Group

Objective and investment policy

The fund aims to provide income and grow capital over five years or more by investing mainly in UK commercial property.

Core investment: At least 70% of the fund is directly invested in UK commercial property.

Other investments: The fund may also invest in other property-related assets, including other funds, real estate investment trusts, money market instruments (for example, debt due to be repaid within a year) and cash.

Strategy in brief: The fund manager selects attractively priced properties from across a range of sectors and regions. The focus is on adding value by managing and improving properties to enhance their capital value and rental income.

Other information

The fund is a Property Authorised Investment fund for tax purposes.

The fund manager has the freedom to decide which investments should be held in the fund.

You can buy and sell shares in the fund on any business day. Provided we receive your instructions before 12 noon, shares will be bought at that day's price.

Any income from the fund will be rolled up into the value of your investment.

In addition to the charges set out in the charges section, the fund will incur portfolio transaction costs which are paid from the assets of the fund.

Risk and reward profile

- The value of investments and the income from them will rise and fall. This will cause the fund price, as well as any income paid by the fund, to fall as well as rise. There is no guarantee the fund will achieve its objective, and you may not get back the amount you originally invested.

- Each day we value the assets of the fund on both an 'offer' basis (how much its assets would cost to buy) and a 'bid' basis (how much the fund would receive if assets were sold). The difference between the two prices reflects the costs of buying and selling properties, in particular Stamp Duty Land Tax paid on purchases which can account for up to 5% of the property value. The published dealing prices are on either the 'offer' basis or 'bid' basis, depending on whether people are generally buying fund shares (the fund is in 'net inflow') or selling shares (the fund is in 'net outflow'). The pricing basis did not change during 2017. However, a change in the pricing basis during 2017 would have resulted in a price movement of between 5.51% and 6.26% (5.92% as at 7 March 2018).

- The fund invests mainly in one type of asset. It is therefore more vulnerable to market changes for that specific type of asset. This type of fund can carry a higher risk and can experience bigger price gains and falls when compared to a fund which invests in more types of assets.

- If significant numbers of investors withdraw their investments from the fund at the same time, the manager may be forced to dispose of property investments. This may result in less than favourable prices being obtained in the market for those investments.

- Property valuations are provided by an independent valuer and are subject to the judgement of the valuer.

- Where market conditions make it hard to sell the fund's investments at a fair price to meet customers' sale requests, we may temporarily suspend dealing in the fund's shares.

- The fund manager will place transactions, hold investments and place cash on deposit with a range of counterparties (opposite parties). There is a risk that counterparties or tenants of properties may default (fail to pay) on their obligations or become insolvent.

- All of the above risks could have an adverse effect on the value of your investment.

A more detailed description of the risk factors that apply to the fund can be found in the fund's Prospectus.

Charges

The charges shown in the table are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	0.00%
Exit charge	0.00%
The entry charge is the maximum that might be taken out of your money before it is invested.	
Charges taken from the fund over a year	
Ongoing charge	1.44%
Charges taken from the fund under certain specific conditions	
Performance fee	None

The entry and exit charges shown are the maximum figures and, in some cases, you may pay less. You can find out the exact charges which apply to your investment by contacting your financial adviser or distributor or, if you have invested directly with us, you can contact us using the details given in the practical information section.

The ongoing charge is based on expenses for the year ending 31 March 2018. This figure may change from year to year. It excludes portfolio transaction costs.

For more information on charges, please see the relevant sections of the Prospectus at www.mandg.co.uk/literature

Past performance



■ M&G Property Portfolio

- Past performance is not a guide to future performance.
- The past performance calculation excludes UK taxes on interest distributions from 1 January 2017. The past performance calculation continues to include UK taxes on property income distributions and dividend distributions. It does not take into account the entry and exit charges but does take into account the ongoing charge, as shown in the charges section.
- The Fund launched on 18 January 2013 and the Sterling Class I Accumulation share class launched on the 18 January 2013.
- M&G Property Portfolio Sterling Class I shares (OEIC) do not have 10 complete years of past performance information available as they launched on 18 January 2013. Therefore, past performance information for M&G Property Portfolio Sterling Class S shares (Unit Trust) has been used for the period shown prior to this date.
- Past performance is calculated using Sterling Class I Accumulation shares.

Practical information

The depositary is NatWest Trustee and Depositary Services Limited.

For more information about this fund, please visit www.mandg.co.uk/literature where you will find a copy of the Prospectus, Instrument of Incorporation and the latest annual or interim Investment Report and Financial Statements. These documents are in English and are available free of charge. Our website also provides other information such as share prices.

UK tax laws apply to the fund, and this may affect your personal tax position. Please speak to an adviser for more information.

Other share classes may exist for the fund as set out in the relevant Prospectus.

For up-to-date details of the staff remuneration policy that applies to M&G Securities Limited, including a description of how remuneration and benefits are calculated, the make-up of the remuneration committee, and the identities of persons responsible for awarding the remuneration and benefits, please visit www.mandg.co.uk/remuneration. We will provide a paper copy of this information, free of charge, if you require one.